



United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, D.C. 20240



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Secretary
Federal Communications Commission
445 Twelfth Street, S.W., Room TW-A325
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Ruling for FCC 99-204 CC Docket No. 9645: Federal-State Joint Board on Universal Service: Promoting Deployment and Subscribership in Unserved and Underserved Areas, Including Tribal and Insular Areas.

Dear Madame Secretary:

In this letter, the Office of Insular Affairs of the Department of the Interior submits the following comments on the rule for FCC 99-204 CC Docket No. 964, *Federal-State Joint Board on Universal Service: Promoting Deployment and Subscribership in Unserved and Underserved Areas, including tribal and Insular Areas*.

The Office of Insular Affairs believes it is of utmost importance to advance universal service to insular areas of the United States. These remote, isolated insular areas have low income populations and need assurances that they may have access to affordable telecommunications services. Subscribership levels (penetration rates) are significantly lower in these areas as compared to the national average due to income disparity and remote locations.

Each insular area is unique. Even their telecommunication market structures are different, some telecommunications systems are run by the government, some are integrated with the military, and others are run by private companies with limited competition. Their telecommunications costs, in general, are more expensive as compared to those on the mainland.

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We urge the Federal Communications Commission to undertake additional measures to promote deployment and subscribership in the insular areas and to provide universal service support necessary to offset the particular challenges facing these areas.¹

We recommend that the term “insular area” be defined in the final ruling on universal service to consist of the territories of the United States including Guam, Commonwealth of Puerto Rico, American Samoa, Commonwealth of the Northern Mariana Islands, the United States Virgin Islands and other United States possessions including Johnston Atoll, Midway Atoll, Baker Island, Howland Island, Jarvis Island, Kingman Reef, Palmyra Atoll, Wake Atoll, and Navassa Island.²

Non-populated areas such as Navassa, Baker, Howland, and Jarvis Islands should be included in the definition of an “insular area” to allow access to universal service should these areas become populated in the future. Midway Atoll should also be included.³ Although Midway Atoll is a wildlife refuge under the U.S. Fish and Wildlife Service, it does accommodate a small population of scientists and tourists on a daily basis.

Insular areas receiving telecommunications from the United States military should be included should there be a future decommissioning of the military in those areas. These insular areas include Wake and Johnston Atolls.

We recommend that the rule define insular areas to include only those areas that are under the sovereignty of the United States.⁴ The freely associated states of Palau, the Marshall Islands, and the Federated States, are sovereign states in their own right. Inclusion of the freely associated states should be an issue in the renegotiation of the Compact of Free Association with the Federated States of Micronesia and the Marshall Islands, which is now underway. The freely associated states are subject to foreign aid and open to international telecommunication technology.

Due to their remote locations and low income populations, rural health care in the insular areas is expensive and difficult to deliver. Currently, the ruling defines some areas, including Tutuila, American Samoa; Saipan, Commonwealth of the Northern Mariana Islands; and Agana, Guam as “urban”, which prevents the universal service program from operating as intended. In reality, there is no difference between the “rural” and “urban” rates in the insular areas. Universal service for rural telemedicine was envisioned to target remote areas. I strongly urge that the

¹Federal Register, Vol. 64, No. 189, September 30, 1999, page 52749, paragraph 69

²Federal Register, Vol. 64, No. 189, September 30, 1999, page 52754, paragraph 111

³ Ibid, page 52754, paragraph 112

⁴Ibid

Commission consider a unique rule that will achieve universal service and affordable rates for America's unique insular areas. To this end, I propose that the Commission consider utilization of a "surrogate" urban area for purposes of determining comparable rates for the insular areas.⁵

For the record, we are providing statistical information on population, population density, income, and telephones in housing units for the insular areas. Please see the attached Tables 1 - 5.⁶

As the Federal agency responsible for Federal relations with the insular areas and an advocate for their economic development, the Office of Insular Affairs urges the Commission to grant special consideration to the insular areas under this rule to ensure affordable telecommunications access. To this end, I propose that the Commission establish universal service mechanisms designed to provide telemedicine support for links between rural health care facilities in insular areas and advanced hospitals in Hawaii or on the Mainland.

Sincerely,

A handwritten signature in black ink, appearing to read "Ferdinand G. Aranza", with a stylized flourish at the end.

Ferdinand G. Aranza
Director
Office of Insular Affairs

Attachments — Tables 1-5

⁵Ibid, page 52755, paragraph 115

⁶Ibid, page 52741, paragraph 12

Table 1. Population — United States and Insular Areas 1990 & 1995

Population	1995	1990
United States	262,105,000	248,709,973
Puerto Rico	N/A	3,522,037
Virgin Islands	109,677	101,809
Guam	140,910	133,152
Commonwealth of the Northern Mariana Islands	58,846 ⁷	43,345
American Samoa	52,884	46,773
Palau	17,225	15,122
Federated States of Micronesia	105,506	N/A
Marshall Islands	42,781	43,380

Sources: Insular Areas Census & Surveys/*Interior 1999 State of the Islands Report*, page 95

⁷U.S. Bureau of Census estimates the mid-1998 population for the CNMI to be at 66,611. Department of the Interior, 1999 State of the Islands Report, page 24.

Table 2. Population Density

Population	Density (persons per square mile)
United States	70.3 persons ⁸ /sq. mile
Puerto Rico	N/A
Virgin Islands	318 persons/sq. mile
Guam	664 persons/sq. mile
Commonwealth of the Northern Mariana Islands	333.4 persons ⁹ /sq. mile
American Samoa	611 persons/sq. mile
Palau	87 persons/sq. mile
Federated States of Micronesia	390 persons/sq. mile
Marshall Islands	611 persons/sq. mile

Based on 1995 population figures from Table 1

⁸U.S. Bureau of Census, 1990 Census of Population & Housing, excludes Alaska and Hawaii, *Statistical Abstract of the United States 1997*, page 8

⁹Commonwealth of the Northern Mariana Islands Department of Commerce, Central Statistics Division, *1996 CNMI Statistical Yearbook*, page 4. The Statistical Yearbook demonstrates a large disparity in population densities exist among the three populated areas -- Saipan has 1,133 persons per square mile, Rota has 107 persons per square mile, and Tinian has 67.1 persons per square mile.

Table 3: Median Income: 1990 & 1995

Median Income	Households 1995	Households 1990	Families 1995	Families 1000
United States	\$32,264	\$30,056	\$38,782	\$35,225
Puerto Rico	N/A	\$8,895	N/A	\$9,988
Virgin Islands	\$22,842	\$22,050	\$27,908	\$24,036
Guam	\$30,335	\$30,755	\$25,745	\$31,178
Commonwealth of the Northern Mariana Islands	\$19,094	\$20,644	\$21,166	\$21,275
American Samoa	\$15,715	\$16,114	\$16,126	\$15,979
Palau	\$11,856	\$8,882	\$12,776	\$9,380
Federated States of Micronesia	\$4,494	N/A	\$4,473	N/A

Sources: Insular Areas Census & Surveys/*Interior 1999 State of the Islands Report*, page 106

Table 4: Telephones in Housing Units (percentage of housing units)

Telephone	1995	1990
United States	96.6	94.8
Puerto Rico	N/A	63.7
Virgin Islands	90.0	81.5
Guam	94.4	92.1
Commonwealth of the Northern Mariana Islands	61.0	39.6
American Samoa	70.5	37.4
Palau	54.1	58.1
Federated States of Micronesia	26.8	N/A
Marshall Islands	N/A	N/A

Sources: Insular Areas Census & Surveys/*Interior 1999 State of the Islands Report*, page 117

Table 5 Per Capita Income: 1990 and 1995

Per Capita	1995	1990
United States	\$16,555	\$14,420
Puerto Rico	N/A	\$4,177
Virgin Islands	\$10,942	\$9,440
Guam	\$11,552	\$9,928
Commonwealth of the Northern Mariana Islands	\$6,897	\$7,199
American Samoa	\$3,270	\$3,039
Palau	\$3,526	\$2,656
Federated States of Micronesia	N/A	N/A
Marshall Islands	N/A	N/A

Sources: Insular Areas Censuses and Surveys/*Interior 1999 State of the Islands Report*, page 107